

CORRECTED FISCAL NOTE

HB 3040 - SB 3295

April 7, 2006

SUMMARY OF BILL: Permits nontraditional students to become eligible for a Tennessee HOPE scholarship after attempting a total of six semester hours rather than 24 semester hours at an eligible higher education institution if they meet all other eligibility requirements.

ESTIMATED FISCAL IMPACT:

On March 6, 2006, we issued a fiscal note indicating an increase in the expenditure of lottery proceeds earmarked for scholarships and grants by \$1,704,000 in FY06-07 and \$1,853,000 in FY07-08. Based on additional information from TSAC, the estimated fiscal impact of this bill is:

(CORRECTED)

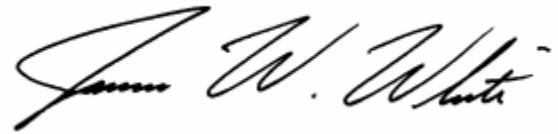
Other Fiscal Impact - Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$3,408,000 in FY06-07 and \$3,705,000 in FY07-08.

Assumptions:

- Based on 2005 projections of eligible nontraditional students, the estimated increase in lottery proceeds for FY06-07 was \$17,039,538 and \$18,525,403 in FY07-08.
- According to TSAC, the percentage increase in eligible nontraditional students could be greater than earlier estimated since some nontraditional students who began their course of study during Spring 2006 would immediately become eligible with the new six (6) semester hours requirement and certain students who began their course of study in Fall 2005 would also become eligible though they would not have achieved the 24 hour requirement under current law.
- Advancing the eligibility date for nontraditional students to receive the HOPE scholarship under the provisions of this bill is estimated to increase total scholarships awards by 20%.
 - $\$17,039,538 \times 20\% = \$3,407,908$
 - $\$18,525,403 \times 20\% = \$3,705,081$

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J" and a distinct "W".

James W. White, Executive Director